

Mr. SMITH. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LANTOS. Mr. Speaker, I want to commend my friend from California.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BASS). The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 37, as amended.

The question was taken.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### REPORT ON HOUSE CONCURRENT RESOLUTION 68, CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 2000

Mr. SHAYS (during consideration of House Concurrent Resolution 37) from the Committee on the Budget, submitted a privileged report (Rept. No. 106-73) on the concurrent resolution (H. Con. Res. 68) establishing the congressional budget for the United States Government for fiscal year 2000 and setting forth appropriate budgetary levels for each of fiscal years 2001 through 2009, which was referred to the Union Calendar and ordered to be printed.

#### PROTECTING PRODUCERS WHO APPLIED FOR CROP REVENUE COVERAGE PLUS SUPPLEMENTAL ENDORSEMENT FOR 1999 CROP YEAR

Mr. COMBEST. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1212) to protect producers of agricultural commodities who applied for a Crop Revenue Coverage PLUS supplemental endorsement for the 1999 crop year, as amended.

The Clerk read as follows:

H.R. 1212

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. CROP INSURANCE OPTIONS FOR PRODUCERS WHO APPLIED FOR CROP REVENUE COVERAGE PLUS.

(a) ELIGIBLE PRODUCERS.—This section applies with respect to a producer eligible for insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) who applied for the supplemental crop insurance endorsement known as Crop Revenue Coverage PLUS (referred to in this section as "CRCPLUS") for the 1999 crop year for a spring-planted agricultural commodity.

(b) ADDITIONAL PERIOD FOR OBTAINING OR TRANSFERRING COVERAGE.—Notwithstanding the sales closing date for obtaining crop insurance coverage established under section 508(f)(2) of the Federal Crop Insurance Act (7

U.S.C. 1508(f)(2)) and notwithstanding any other provision of law, the Federal Crop Insurance Corporation shall provide a 14-day period beginning on the date of enactment of this Act, but not to extend beyond April 12, 1999, during which a producer described in subsection (a) may—

(1) obtain from any approved insurance provider a level of coverage for the agricultural commodity for which the producer applied for the CRCPLUS endorsement that is equivalent to or less than the level of federally reinsured coverage that the producer applied for from the insurance provider that offered the CRCPLUS endorsement; and

(2) transfer to any approved insurance provider any federally reinsured coverage provided for other agricultural commodities of the producer by the same insurance provider that offered the CRCPLUS endorsement, as determined by the Corporation.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. COMBEST).

Mr. COMBEST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to offer a bill, H.R. 1212, with an amendment. This bill's timely passage is critical to thousands of American farmers who may otherwise be unable to buy appropriate levels of insurance on their 1999 crops. The amendment to the bill is non-controversial and technical in nature.

Importantly, H.R. 1212, as amended, enjoys bipartisan support in the Congress, the administration's backing and does not cost the U.S. Treasury any money. I am pleased to be joined by the committee's ranking member, the gentleman from Texas (Mr. STENHOLM); chairman of the Subcommittee on Risk Management, Research, and Specialty Crops, the gentleman from Illinois (Mr. EWING); the gentleman from California (Mr. CONDIT); the gentleman from Arkansas (Mr. BERRY); the gentleman from Louisiana (Mr. COOKSEY); and the gentleman from Louisiana (Mr. JOHN) in offering this legislation.

The facts surrounding the need for this bill are complicated. But, in short, unless H.R. 1212 becomes law, thousands of farmers, by no fault of their own, will be left with three undesirable choices, staying with crop insurance policies that may not be economical for their operations, accepting catastrophic crop insurance that provides very low coverage, or settling for no crop insurance at all.

Mr. Speaker, leaving farmers in this predicament is unacceptable. That is why I am offering H.R. 1212. H.R. 1212 is straightforward. It provides a brief window of time up until April 12, 1999, in which farmers who are in this predicament may buy new crop insurance. The bill also permits affected farmers to transfer certain policies during the same period of time. The bill in no way interferes with private contracts.

While this bill is limited to providing immediate relief from a current problem, I want to assure my colleagues that the committee expects to thor-

oughly examine the underlying issues that led to this problem as we work to improve the crop insurance program for this year.

Mr. Speaker, I would ask my colleagues to support H.R. 1212, as amended, and urge its timely passage.

Mr. Speaker, I reserve the balance of my time.

□ 1500

Mr. STENHOLM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support for House passage of H.R. 1212. I want to commend my colleague from Arkansas (Mr. BERRY) for all of the work he has done on this legislation. The bill offers a no-cost solution to a problem created by the interaction between Federal crop insurance and the private insurance industry.

Mr. Speaker, crop insurance law and regulations provide definitive dates for the sale or cancellation of crop insurance policies. The deadlines help to protect the taxpayer from costs associated with adverse selection. Without firm deadlines, producers could wait until the growing season has commenced, make an assessment as to their likelihood of harvesting a good crop, and then those who had a good crop would decline crop insurance and those likely to have a loss purchase it. Sales closing dates help prevent bad insurance outcomes and excessive taxpayer cost at the same time.

Mr. Speaker, this year many producers purchased a Federal crop insurance policy known as Crop Revenue Coverage, CRC, based on the belief that a related policy known as CRCPlus would be available under certain terms. The CRCPlus enhancement policy, while it modifies a producer's insurance coverage, is not approved, not backed and not regulated by the Federal Government.

Mr. Speaker, after the Federal deadline for sale or cancellation for the Federal CRC policy passed in many areas, the company offering CRCPlus made an announcement that the terms of the policy would be changed from what many producers had applied for. Since some producers purchased their Federal CRC policies so that they could take advantage of CRCPlus, under the initial terms they have ended up with insurance outcomes that differ from their intentions.

Mr. Speaker, the bill before us would allow any producer who had applied for a CRCPlus policy to change their coverage under the Federal crop insurance program. In order to guard against costs associated with adverse selection, the bill provides that a producer may only change to a federally-backed policy that provides equivalent or lower coverage. In addition, the bill provides a date certain after which these changes could no longer be made. With these provisions CBO estimates that the bill will not increase program cost.

Mr. Speaker, this bill provides a fair opportunity for producers to make adjustments to changes and circumstances which were beyond their

control. I thank the chairman of the committee and other Members for responding quickly to this situation. Again, I commend the gentleman from Arkansas (Mr. BERRY) for his efforts, and I urge my colleagues to vote for passage of this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. COMBEST. Mr. Speaker, I yield as much time as he may consume to the gentleman from Louisiana (Mr. COOKSEY) who is a member of the committee.

Mr. COOKSEY. Mr. Speaker, H.R. 1212 provides a window of opportunity for hard-working farmers all over the United States, but particularly hard-working farmers that bought CRC Plus insurance, to buy new insurance to protect their 1999 crops. Farmers who bought this private CRCPlus policy as a supplement to federally-approved policy have been harmed because the coverage has been unilaterally reduced or altogether rescinded by the insurance company.

While Louisiana farmers and other farmers harmed in this situation can co-opt out of the CRCPlus policy and the Federal policy, the Federal policy it supplements, these farmers are left with little to no insurance if they do so because the last day to buy insurance has come and gone. H.R. 1212 helps Louisiana farmers and other rice farmers who are harmed in this ordeal by extending the time period to buy new crop insurance so that these farmers can buy the insurance coverage they need to protect their investment.

Mr. STENHOLM. Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Speaker, I thank the gentleman from Texas (Mr. STENHOLM) for yielding this time to me, and I thank the chairman of the committee, the gentleman from Texas (Mr. COMBEST) and also the ranking member, the gentleman from Texas (Mr. STENHOLM) for their swift action regarding this matter.

I rise today because the farmers in the First Congressional District of Arkansas and across the country have basically been victims. They have been ripped off by the old bait-and-switch of an insurance company. We started getting calls about a month ago from farmers in our district that had been victims of this problem, and it has spread, Mr. Speaker, much beyond the First Congressional District of Arkansas.

The problems farmers have had with the CRCPlus have gone on far too long, and it is time for us to provide a legislated remedy so that they can have the necessary insurance that is available to them and give our farmers the option to not be victims, and hopefully to keep other farmers from being victimized by similar circumstances in the future.

Mr. Speaker, I urge the passage of the bill, H.R. 1212, Mr. Speaker, and I hope my colleagues will support it.

Mr. COMBEST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is the bill, H.R. 1212, that led to the need to bring this up in a very expeditious fashion. As the gentleman from Arkansas (Mr. BERRY) very well pointed out, it is a dilemma which is very unfortunate in that it occurred. One of the in-depth processes that the Committee on Agriculture is currently going through is looking how we might substantially improve the crop insurance program for coming years; failing that, a risk management tool, a very strong, adequate, sufficient crop insurance program is something that most farmers and farm groups and commodity groups across this country are suggesting that needs to take place, that it is currently deficient in the pending farm legislation.

It is somewhat sad, I think, that this has occurred primarily because one of the ideals that we are trying to put forward in considering crop legislation for the future and a crop proposal for the future and reform is to provide the opportunity for there to be some type of adequate revenue assurance measure that is an option for farmers in which to participate. Those farmers that have contacted the committee in the area in which this primarily has occurred, in the southern part of the United States, obviously do not currently have a tremendous amount of confidence in the program as it has worked there, and while I would suspect that future crop insurance programs and reform and legislation that would provide an adequate risk management from the revenue assurance aspect is something that would be very well accepted, I think it would probably be substantially crafted differently than this is.

So, I want to ensure those farmers out there who are in fact concerned about the process that, as I had indicated in my opening statement, the committee will look very carefully at the process that led up to the necessity to pass this bill today in very short order, in order to give those farmers an opportunity to make some choices that they went into with good faith, however after the end of the game, the rules were changed. We want to go back and give them the fourth quarter to be able to replay this and to bring into their own business decisions whatever works best for them, giving them some options.

We appreciate the fact that the department does support this concept, is willing to work with farmers trying to work through it, and because the deadlines that are imposed and the closing dates to purchase crop insurance have, in fact, expired, it is necessary to give them that option up to, as I mentioned, April 12, as the bill does. We are certainly hopeful that in a very expeditious fashion the Senate would consider this legislation and get it down to the department or down to the President for signature, which has been virtually assured, so that this matter could be dealt with this week, prior to

the time that the Congress leaves for its Easter break, and that these farmers can be making these decisions.

But again I want to emphasize the fact that we will look very carefully at the conditions that led up to this particular problem, in trying to make for certain that farmers can be assured in the future, as this crop insurance program is revised and reformed, that in fact this is not a situation which they would have to be concerned about, and we will try to do everything we can from our committee to put into place all of the safeguards that would be necessary to protect those.

Mr. Speaker, I reserve the balance of my time.

Mr. STENHOLM. Mr. Speaker, I yield myself such time as I may consume, and continuing in the light of the statement of the gentleman from Texas (Mr. COMBEST), this particular problem that we are solving today with this legislation is indicative of some other, even larger problems associated with our current crop insurance program. We are finding now that there is widespread but not necessarily unanimous agreement that crop insurance as it is current constituted, is inadequate to meet the needs of our farmers and ranchers around this country, and that is why I have been fully supportive of the gentleman from Texas' efforts this year to make revenue insurance, crop insurance slash livestock insurance, the number one priority of our House Agriculture Committee this year, and I think we are finding now that there is substantial agreement.

I was in Crockett County, Tennessee yesterday with one of our colleagues, the gentleman from Tennessee (Mr. TANNER), over 300 farmers there, in which there was substantial agreement that crop insurance needs to be improved. And as we do this, I think it is important for our colleagues and all interested in this subject to realize that we are basically starting with a blank sheet of paper. We are finding that when we talk about crop insurance, that even those crops that have been covered, there are holes in the program. We also are finding that livestock producers have been left out as far as being even eligible to purchase coverage.

One of the things that we are finding now is that in light of the 1995-1996 farm bill that basically said to our producers, "produce for the market," removal of a lot of government activity regarding agricultural production, that there was also a promise that we were going to free up world markets. And as we all know now, we have not been able to pass Fast Track, we have had all kinds of difficulty in even getting the United States negotiators to the table in order to free up those markets so that we might produce.

That has now led us to another situation in which in the past crop insurance has been designed to care for weather-related disasters. We now are beginning to know that currency

changes, whole regions of countries, when they have economic problems, it has affected our producers in ways in which no one in this body anticipated in the 1995-1996 area when we were passing this legislation.

So I use this opportunity today to say that this particular bill and the need for this bill today was caused inadvertently by a misinterpretation, misapplication of what some believe was current law. What we now have, the task for us, ahead of us, is to see that we do provide a crop insurance, revenue assurance program that will be adequate for our producers, whether they be crop, livestock or anyone in between. That is the challenge, and we hope later this year or certainly early next year it would be my hope that we would be able to bring comprehensive legislation to the floor of the House dealing with this particular problem.

With those comments, Mr. Speaker, I yield such time as he may consume to the gentleman from Louisiana (Mr. JOHN).

Mr. JOHN. Mr. Speaker, I would like to also extend my thanks to the ranking member, the gentleman from Texas, and also the chairman of the Committee on Agriculture who have brought this measure in an expeditious manner to us. This is a very important piece of legislation for the district of south Louisiana of which I represent, the rice capital of the world.

This is a situation that has cropped up and that has occurred by no fault of any of the producers, where they have acted in good faith to try to obtain the kinds of coverage they need, to make sure that they are covered for the problems that may incur similar to what happened last year. What this bill does, very simply, is open the time in which the farmers could actually reapply for some insurance and some other federally-covered insurance to protect them in this crop zone, so I urge final passage of this piece of legislation that is so important and was not brought upon by any of the producers' fault at any point in time.

So I commend the gentleman from Texas for bringing this legislation, again, and I urge strong support.

Mr. Speaker, I rise in strong support for HR 1212. I am a co-sponsor of this legislation and I have worked constantly on this problem since it surfaced approximately one month ago.

Mr. Speaker, before discussing the merits of this particular legislation, I would like to commend the Chairman and Ranking Minority Member on the House Committee on Agriculture, Mr. COMBEST and Mr. STENHOLM, for their leadership in ensuring that this issue received the prompt attention that it deserves.

We are here today, Mr. Speaker, because of a recent development concerning a private crop insurance policy provided primarily for rice. Namely, "CRCPlus" is a supplemental insurance product available only from America Agrinsurance (AmAg). This policy allowed producers to increase their Crop Revenue Coverage (CRC) revenue guarantee to provide a higher level of protection against major crop

loss or a decline in market price. After the sales closing date for federal crop insurance policies had passed, AmAg changed the terms of the CRCPlus plan for producers that had applied for the supplemental coverage.

This situation, and the events that followed, has called into question the integrity of the Federal crop insurance program. The good faith efforts made by farmers to hedge their risk by participating in the crop insurance program, combined with the actions of AmAg, placed my rice farmers in a bad position—leaving them heavily and unnecessarily exposed or having them pay higher premiums for coverage they could have received elsewhere. Allowing this situation to proceed is the wrong message to send, especially at a time when many of us in Congress are attempting to strengthen the crop insurance programs.

Passage of this legislation will reopen the time period during which farmers who applied for CRCPlus insurance may buy additional federal crop insurance. This is intended to allow farmers who were affected by the decisions of AmAg concerning CRCPlus to adjust their crop insurance policies and obtain substitute insurance. Under this measure, these farmers would be eligible to buy federal crop insurance from other federally-approved insurers, with coverage up to the level of protection they would have had under the original CRCPlus policy in which they had applied.

These farmers would also be allowed to transfer to other insurers any basic federal crop insurance they have obtained through AmAg for other crops.

Without this legislation, farmers would not only remain heavily exposed, but would also be less trustful of crop insurance reform in the future. With this in mind, I urge Members to support HR 1212 and give the farmers the legislative fix that they need to address their risk concerns.

Mr. COMBEST. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi (Mr. PICKERING).

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Mr. PICKERING. Mr. Speaker, I rise today in support of H.R. 1212, offered by my good friend, the chairman of the Committee on Agriculture, and I commend him for his leadership on this issue. I also want to recognize the ranking member, the gentleman from Texas (Mr. STENHOLM), as this is a bipartisan effort to address a very critical need for our American farmers.

Today, through no fault of their own, many hard-working Mississippi farmers are left with crop insurance that does not meet the needs of their farming operations or, even worse, they are left with no crop insurance at all. I share the chairman's view that leaving farmers in this predicament is unacceptable, and gladly, H.R. 1212 fixes that problem.

H.R. 1212 gives Mississippi farmers, and farmers throughout the country who have already been adversely affected by this ordeal, a new window of opportunity to buy the insurance coverage they need.

Mr. Speaker, American farmers borrow more money each year and every year than most of us borrow in a life-

time, to plant a crop so that we can all enjoy low prices at the grocery store and so that the whole world can eat. Each and every year this is an incredible gamble for each of the farmers, because markets may not even provide these farmers enough to pay back their loans or cover their costs of production. Worse yet, the weather could rob them of their crop completely.

H.R. 1212 offers our Nation's farmers the chance they need to protect this huge investment and gives them just a little peace of mind.

Mr. Speaker, I urge my colleagues to vote for this very timely and important piece of legislation.

I also want to join with my colleagues to say that this is just an interim fix, that the long-term crop insurance reform for a comprehensive solution is coming, and we need to all work with the same type of bipartisan consensus and effort to fix the underlying problem of an inadequate crop insurance program. I look forward to working with my colleagues on this and the long-term solution in the days to come.

Mr. MINGE. Mr. Speaker, I rise today in support of H.R. 1212, a bill to protect producers of agricultural commodities who apply for Crop Revenue Coverage PLUS supplemental endorsement of 1999 crop year.

This legislation will provide relief to farmers throughout the United States, including farmers in Minnesota, who had applied for a specific non-federal crop insurance policy whose coverage level changed or was expected to change after the sales closing date had passed. Without congressional intervention, these farmers would be forced to remain in financially detrimental crop insurance policies for the 1999 crop year with little possibility for recourse. In the current poor economic climate for farmers, it is vitally important that we in Congress do everything possible to provide farmers with opportunities to maximize their operations' profitability. H.R. 1212 will, at no cost to the Federal Government, allow producers to change their crop insurance coverage to products which will better serve their needs.

Given the increased importance of risk management tools under the 1996 farm bill, I commend the chairman and ranking member of the Agriculture Committee for bringing this matter before the House of Representatives for a timely resolution.

Mr. STENHOLM. Mr. Speaker, I yield back the balance of my time.

Mr. COMBEST. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion offered by the gentleman from Texas (Mr. COMBEST) that the House suspend the rules and pass the bill, H.R. 1212, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. COMBEST. Mr. Speaker, I ask unanimous consent that all Members